

# COUNCIL COMING ATTRACTIONS



**December 13, 2016**

**Housing Code Enforcement, Fiscal Plan Update, Microlending Program & Snow Removal**





Council Coming Attractions is a summary of some of the issues before the Council. All Council staff reports and additional information on each item scheduled for Council or Committee review can be viewed at: <http://www.montgomerycountymd.gov/council/packet/index.html>.


Also the Council meeting schedule may change from time to time. The current Council agenda can always be viewed at:

[http://www.montgomerycountymd.gov/council/resources/files/agenda/col/current\\_agenda.pdf](http://www.montgomerycountymd.gov/council/resources/files/agenda/col/current_agenda.pdf).

On Dec. 13 at 9:35 a.m. the Council will begin with two proclamation presentations. General business will begin at 9:40 a.m.

-  Councilmember Rice will present a proclamation recognizing Montgomery College's 70<sup>th</sup> anniversary.
-  Council President Berliner will present a proclamation recognizing Human Rights Month.

## COUNCIL

-  **Special Appropriation – DHCA and Motor Pool NDA - \$690,955 for Housing Code Enforcement Enhancements**  
The Council is scheduled to hold a public hearing and vote on a \$690,955 special appropriation for housing code enforcement enhancements. Councilmember Hucker is the lead sponsor. Council President Berliner is a cosponsor. The PHED Committee recommendation will be available on Dec. 12. The staff report can be viewed at:

[http://montgomerycountymd.granicus.com/MetaViewer.php?view\\_id=136&event\\_id=5002&meta\\_id=129479](http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=136&event_id=5002&meta_id=129479).

- On November 29, the Council adopted Bill 19-15, Landlord-Tenant Relations - Licensing of Rental Housing - Landlord Tenant Obligations. The bill requires a two-year intensive rental housing inspection program. Bill 19-15 requires the Director of the Department of Housing and Community Affairs (DHCA) to inspect a sample of each multifamily rental property, which has a certificate of occupancy issued before Jan. 1, 2015, by July 1, 2019.
- At the October 27 PHED Committee session, DHCA Director Snuggs provided information to the Committee on the new positions and funding needed to comply with the requirements in Bill 19-15. DHCA estimates that 14 new positions are needed including 9 new housing code inspectors.
- The County Executive does not recommend this special appropriation. He recommends a phased-in approach to ramp up staffing which would achieve a full complement of housing code inspectors using existing and FY18 resources. Reaching an agreement on staffing with the Executive Branch would eliminate the need for this special appropriation.



#### County Fiscal Plan and Economic Indicators

Council Administrator Steve Farber, Office of Management and Budget Director Jennifer Hughes, and Finance Director Alex Espinosa will update the Council on the County Fiscal Plan and economic indicators. The staff report can be viewed at:

[http://montgomerycountymd.granicus.com/MetaViewer.php?view\\_id=136&event\\_id=5002&meta\\_id=129505](http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=136&event_id=5002&meta_id=129505).

The County's Fiscal Plan is a snapshot in time that is updated every December, three months before the Executive's recommended budget which is presented to the Council in March. The Plan reflects the most recent available data and fiscal and economic assumptions. Some issues for consideration and discussion include:

- In November three major bond rating agencies reconfirmed the County's AAA rating.
- Factors beyond the County's control can affect the County's fiscal prospects. Current economic indicators do not forecast another economic downturn; however, fiscal restraint is always prudent. In addition the new federal Administration may implement campaign proposals that could have far-reaching impacts on the County.
- While the County's economy continues to improve, the Executive Branch recommends preemptive fiscal caution. Chief Administrative Officer Timothy Firestone issued a memo calling for two percent target reductions from the FY17 approved operating budget, with the option of an additional one percent reduction at a later date.
- Current projections show a \$130 million budget gap for FY18. Based on current assumptions, the fiscal plan would require a 1.2 percent reduction in FY18 agency spending. This would mean a 2.6 percent reduction for County Government and Maryland-National Capital Park and Planning Commission (M-NCCPC) because of State maintenance of effort (MOE) requirements for Montgomery County Public Schools (MCPs) and Montgomery College.
- The Finance Department's current County revenue forecast for FY17-18 is down \$25.5 million from its June forecast.
- Intergovernmental aid assumptions for FY17 remain unchanged until Gov. Hogan issues his FY18 State budget next month.
- The 1.2 percent projected reduction in total agency expenditures does not include program annualizations or potential compensation increases from collective bargaining.
- Reserves are projected to be 7.9 percent of Adjusted Governmental Revenues in FY17, versus 8.4 percent in the FY17 approved budget, and 9.4 percent in FY18.



#### Bill 49-16, Economic Development-Workforce Development - Microlending Program

The Council will introduce Bill 49-16. Council President Berliner and Councilmembers Navarro and Hucker are the lead sponsors. A public hearing is scheduled for Jan. 27 at 1:30 p.m. The staff report can be viewed at:

[http://montgomerycountymd.granicus.com/MetaViewer.php?view\\_id=136&event\\_id=5002&meta\\_id=129507](http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=136&event_id=5002&meta_id=129507).

Bill 49-16 would require the County's Workforce Development Corporation to administer a culturally proficient microlending program to provide financial and technical assistance to County entrepreneurs; establish criteria for the operation of the microlending program; and require an annual report.

- County residents with businesses headquartered in the County would be eligible for microloans of up to \$15,000. Loan recipients would be required to participate in educational and technical assistance that would be part of the program. The initial funding for the microloan program is expected to be \$500,000.
- The program may use non-County funds for capital and program administration. Materials and assistance would be provided in multiple languages.
- WorkSource Montgomery would have to report on the status of the microlending program each year as part of its annual report to the Executive and Council.
- Micro businesses have been found to improve the economic well-being and self-sufficiency of individuals who often find themselves in low-wage jobs, but have the creativity and desire to own and operate a wide variety of businesses.
- The bill sponsors believe that County entrepreneurs would benefit greatly from both the necessary technical assistance and access to microloans that can help aspiring entrepreneurs realize their dreams.



#### Bill 50-16, Elections - Special Elections - Executive Vacancy

The Council will introduce Bill 50-16. Councilmember Leventhal is the lead sponsor. A public hearing is scheduled for Jan. 27 at 1:30 p.m. The staff report can be viewed at:

[http://montgomerycountymd.granicus.com/MetaViewer.php?view\\_id=136&event\\_id=5002&meta\\_id=129509](http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=136&event_id=5002&meta_id=129509).

Bill 50-16 would require a special election to fill a vacancy in the Office of the Executive that occurs before December 1 of the year before a year in which a quadrennial state election will be held. The procedures for the special election would be the same as a special election to fill a Council vacancy.



#### Expedited Bill 51-16, Taxation – Development Impact Tax – Local Area Transportation Review Mitigation Payment – Established

The Council will introduce Expedited Bill 51-16. Council President Berliner is the lead sponsor. A public hearing is scheduled for Jan. 17 at 1:30 p.m. The staff report will be available on Dec. 13. Bill 51-16 would establish a local area transportation review mitigation payment; authorize the Council to set the rates by resolution after a public hearing; and amend the law concerning the development impact tax for transportation improvements. Bill 51-16 also would require the Department of Finance to retain funds collected in an account to be appropriated for transportation improvements that result in added transportation capacity or improved mobility in the area where the development for which the funds were paid is located.

- When the Council replaced the Policy Area Transportation Review payments in the 2016-2020 Subdivision Staging Policy (SSP) with a higher transportation impact tax, it also deleted the Transportation Mitigation Payment section of the transportation impact law believing it was no longer needed. This assumption was incorrect. Expedited Bill 51-16 would reinstate the Transportation Mitigation Payment section in the County Code and provide the legal authority to impose Local Area Transportation Review payments.



#### Expedited Bill 43-16, Retirement - Membership Groups - Group J - Established

The Council is scheduled to vote on Expedited Bill 43-16. Former Council President Floreen is the lead sponsor, at the request of the County Executive. The GO Committee recommendation will be available on Dec. 12. The staff report will be available on Dec. 12. Expedited Bill 43-16 would establish Group J in the Employees' Retirement System (ERS) and transfer employees in Group E, who are not deputy sheriffs or correctional officers, to Group J as of the effective date of this legislation. The County Code currently has group designations for all uniformed employees who participate in the ERS. There are employees currently participating in Group E, which is

designated for deputy sheriffs and correctional officers, who are non-uniformed employees. Moving these non-uniformed employees into their own group would provide better information for each retirement group. Expedited Bill 43-16 would not change the retirement benefits for these employees.



#### **Expedited Bill 47-16, Montgomery County Economic Development Corporation - Board of Directors - Initial Terms - Amendments**

The Council is scheduled to vote on Expedited Bill 47-16. Former Council President Floreen is the lead sponsor, at the request of the County Executive. The staff report can be viewed at:

[http://montgomerycountymd.granicus.com/MetaViewer.php?view\\_id=136&event\\_id=5002&meta\\_id=129513](http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=136&event_id=5002&meta_id=129513) .

Expedited Bill 47-16 would authorize the Executive to extend the initial terms of office for each Board member by up to six months to coincide with the fiscal year beginning on July 1. This change would apply only to the Board members first appointed on December 30, 2015, and would permit each Board member to be considered for a position as an officer when the Board elects officers at the beginning of a fiscal year.

- The Council enacted Bill 25-15, which eliminated the Department of Economic Development and authorized the Council to designate a non-profit corporation as the Montgomery County Economic Development Corporation. Bill 25- 15 also provided that the designated corporation have a Board of Directors appointed by the Executive, subject to confirmation by the Council, to three-year terms. The Executive appointed each member of the Board to begin their term on December 30, 2015.



#### **Expedited Bill 46-16, Streets and Roads - Snow Removal - Violations**

The Council is scheduled to vote on Expedited Bill 46-16. Councilmember Riemer is the lead sponsor. The T&E Committee (2-1, Councilmember Floreen opposed) recommends approval with amendments. The staff report can be viewed at:

[http://montgomerycountymd.granicus.com/MetaViewer.php?view\\_id=136&event\\_id=5002&meta\\_id=129515](http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=136&event_id=5002&meta_id=129515) .

Expedited Bill 46-16 would increase the penalties for violations of the law requiring snow and ice removal on commercial property.

- The County Code provides that “a person is responsible for removing snow and ice on any sidewalk, other walkway, shared use path or parking area on or adjacent to property that the person owns, leases or manages, including any walkway in the public right-of- way, to provide a pathway wide enough for safe pedestrian and wheelchair use.” A violation is a class C violation, but is not subject to a citation unless the violation still exists 24 hours after a notice of violation.
- Expedited Bill 46-16 would make a violation on or adjacent to commercial property a class A violation, while a violation on or adjacent to residential property would remain a class C violation.
- Commercial property is defined as real property that is not designed for or intended for human habitation or contains a multi-family dwelling of four or more units. Residential property is defined as real property containing either a single-family dwelling or a multi-family dwelling of three or fewer units.
- Class A violations are punishable by civil citations carrying fines of \$500 for the initial offense and \$750 for repeat offenses.
- Class C violations are punishable by civil citations carrying fine of \$50 for the initial offense and \$75 for repeat offenses.
- Councilmember Katz expressed concern that a \$500 fine, which is ten times the fine for residential properties, is too punitive. Under Section 1-19 of the Code, the Executive may, by Method 1 Regulation provide for amounts lower than the maximums of \$500 and \$750.
- The Committee discussed this issue and recommended amending Bill 46-16 to keep the violation as class A, but expressly provide that the penalty for a first offense is \$250, with subsequent violations subject to penalties provided in Section 1-19.